

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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April 16, 2004

Cheryl M. Kimball
Keegan, Werlin and Pabian, LLP
265 Franklin Street
Boston, MA 02110

Re: Southern Union Company, D.T.E. 04-36

Dear Ms. Kimball:

Enclosed please find the Department of Telecommunications and Energy's Second Set of Information Requests to Southern Union Company ("the Company") issued in the above-captioned matter. Please submit the Company's responses on or before 5 p.m., Friday, April 23, 2004.

Thank you for your attention in this matter.

Sincerely,

Elizabeth A. Cellucci
Hearing Officer

Enc.

cc: Mary Cottrell, Secretary
Division of Energy Resources

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

SECOND SET OF INFORMATION REQUESTS OF
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO SOUTHERN UNION COMPANY
D.T.E. 04-36

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Southern Union Company ("Southern Union" or "the Company") the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn, and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

6. If the Company finds that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department; also submit one (1) copy of the response to: (1) Elizabeth Cellucci, Hearing Officer; (2) Kevin Brannelly, Rates and Revenues Division; (3) Paul Osborne, Rates and Revenues Division; (4) Glenn Shippee, Rates and Revenues Division; (5) Jim Powell, Rates and Revenues Division; (6) Becky Hanson, Legal Division.
8. Responses are due by 5 p.m., Friday, April 23, 2004.

- DTE 2-1 Refer to Exhibit SU-3. Please explain the reductions of \$1,810,000 to premium and \$2,748,000 to long-term debt for “Elimination of unregulated property from plant and capitalization.” Provide the work papers showing the mathematical derivation of these entries.
- DTE 2-2 Refer to Exhibit SU-3. Please explain the nature of the securities that make up the “Mandatory Convertible Securities” line.
- DTE 2-3 Refer to Exhibit SU-3. The Company reports a goodwill balance as of December 31, 2003 of \$641,921,000. In Southern Union Company, D.T.E. 03-64 (2003), the Company’s response to RR-DTE-1 at 1 also indicates a goodwill balance as of June 30, 2003 of \$641,921,000. Please explain why the goodwill balance remains unchanged over this period of time.
- DTE 2-4 Refer to Exhibit SU-3, as well as Southern Union Company, D.T.E. 03-64, at 10-11 (2003). In D.T.E. 03-64, the Department adjusted the Company’s plant and capitalization accounts for capitalized leases. Please explain why the Company did not adjust its plant accounts for capitalized leases in this proceeding.